United Nations A/54/6 (Income sect. 3)

General Assembly

Distr.: General
20 April 1999

Original: English

Fifty-fourth session

Proposed programme budget for the biennium 2000–2001*

Income section 3
Services to the public

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* The present document contains Income section 3 of the proposed programme budget for the biennium 2000–2001. The complete proposed programme budget will subsequently be issued in final printed form as *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 6* (A/54/6/Rev.1).

99-11417 (E) 060599

Income section 3
Services to the public

Overview

IS3.1 Although the activities provided for under this section may be considered revenue-producing activities, they were not established for that purpose. For the most part, they respond to objectives of various programmes of the medium-term plan for the period 1998-2001, as revised (A/53/6/Rev.1). These include subprogramme 24.4, Support services, of programme 24, Management and central support services, through the sale of philatelic and gift items; subprogramme 23.1, Promotional services, in promoting an understanding of the Organization's work through guided tours, lectures/briefings and seminars and special events, and subprogramme 23.4, Publication services, through the sale of United Nations publications, both falling under programme 23, Public information, as revised; and subprogramme 28.5, Statistics, of programme 28, Economic and social affairs, through the sale of statistical products. Other activities provided for under this section that are essentially revenue-producing activities, namely: the garage, the news-stand and catering operations, as well as those recently established at Vienna, are not individually addressed in the medium-term plan.

IS3.2 In line with provision of resolution 52/220 of 22 December 1997 inviting, the Secretary-General, *inter alia*, to propose measures to improve the profitability of the commercial activities of the United Nations, a review of the scope of the commercial activities at the United Nations locations is currently in progress. Proposals for new revenue-producing activities are made in the context of this section with respect to Headquarters, and the United Nations Offices at Geneva and Vienna, with a view of maximizing the use of public places at United Nations premises. A comprehensive report on the outcome of the current review for all United Nations locations will be submitted to the General Assembly at its fifty-fourth session.

IS3.3 The projected net revenue for the biennium 2000–2001, anticipating an increase of $1,282,900 in comparison with the revised estimates of $4,307,600 for the biennium 1998–1999, is detailed in table IS3.1. The increase is largely attributable to the sale of the United Nations publications and the gift shop and garage operations, partly offset by a projected reduction in income under philatelic items.

IS3.4 Expenditures related to the Revenue Accounts Unit remain unchanged and are provided for under section B below. Providing for such expenditures under this section responds to the recommendation for a full-cost approach made by the Office of Internal Oversight Services and endorsed by the General Assembly.

IS3.5 The activities, which are carried out at Headquarters, Geneva and Vienna, are directed by the following organizational units: the Department of Public Information, the Department for Economic and Social Affairs, the Office of Central Support Services, the United Nations Office at Geneva, the United Nations Office at Vienna and the Office of Programme Planning, Budget and Accounts.

IS3.6 The estimated percentage distribution of the total gross revenues and expenditures for services to the public during the biennium 2000–2001 would be as follows:

	Income	*Expenditures*
	(percentage)	
A. Programme of work		
1. United Nations Postal Administration operations	41.3	41.3
2. Sale of United Nations publications	33.9	32.3
3. Services to visitors	12.3	18.0
4. Sale of statistical products	1.6	1.6
5. Sale of gift items	3.2	–
6. News-stand operations	0.4	–
7. Garage operations	5.4	3.6
8. Catering operations	1.8	1.8
9. Other commercial operations	0.1	–
B. Programme support to revenue-producing activities		
1. Revenue Accounts Unit	–	1.4
Total	**100.0**	**100.0**

Table IS3.1 **Summary by individual activity: estimates of gross and net revenue**

(Thousands of United States dollars)

	1998-1999 approved estimates	*2000-2001 estimates*	*2000-2001 increase (decrease)*
A. Programme of work			
1. United Nations Postal Administration operations			
Gross revenue	25 718.1	23 350.0	(2 368.1)
Less expenses against revenue	21 503.1	20 973.6	(529.5)
Net revenue	4 215.0	2 376.4	(1 838.6)
2. Sale of United Nations publications			
Gross revenue	15 332.0	19 130.0	3 798.0
Less expenses against revenue	14 882.0	16 451.8	1 569.8
Net revenue	450.0	2 678.2	2 228.2
3. Services to visitors			
Gross revenue	6 553.5	6 965.0	411.5
Less expenses against revenue	9 067.5	9 160.0	92.5
Net revenue	(2 514.0)	(2 195.0)	319.0
4. Sale of statistical products			
Gross revenue	802.3	900.0	97.7
Less expenses against revenue	790.5	839.1	48.6
Net revenue	11.8	60.9	49.1
5. Sale of gift items			
Gross revenue	1 700.0	1 825.0	125.0
Less expenses against revenue	–	–	–
Net revenue	1 700.0	1 825.0	125.0
6. News-stand operations			
Gross revenue	100.0	200.0	100.0
Less expenses against revenue	–	–	–
Net revenue	100.0	200.0	100.0
7. Garage operations			
Gross revenue	2 827.2	3 036.0	208.8
Less expenses against revenue	1 809.6	1 835.7	26.1
Net revenue	1 017.6	1 200.3	182.7
8. Catering operations			
Gross revenue	–	1 000.0	1 000.0
Less expenses against revenue	–	901.6	901.6
Net revenue	–	98.4	98.4

	1998 1999 approved estimates	2000 2001 estimates	2000 2001 increase (decrease)
9. Other commercial operations			
Gross revenue	–	73.0	73.0
Less expenses against revenue	–	23.2	23.2
Net revenue	–	49.8	49.8
B. Programme support			
1. Revenue Accounts Unit			
Expenses against revenue	672.8	703.5	30.7
Total gross revenue	53 033.1	56 479.0	3 445.9
Less total expenses against revenue	48 725.5	50 888.5	2 163.0
Total net revenue	**4 307.6**	**5 590.5**	**1 282.9**

Estimated expenses against revenue

Table IS3.2 **Summary of requirements by component**

(Thousands of United States dollars)

Component	1996 1997 expenditures	1998 1999 appropriations	Resource growth: Amount	Resource growth: Percentage	Total before recosting	Recosting	2000 2001 estimates
1. United Nations Postal Administration operations	20 860.0	21 503.1	(1 130.8)	(5.2)	20 372.3	601.3	20 973.6
2. Sale of United Nations publications	13 388.7	14 882.0	987.4	6.6	15 869.4	582.4	16 451.8
3. Services to visitors	6 590.0	9 067.5	(245.0)	(2.7)	8 822.5	337.5	9 160.0
4. Sale of statistical products	821.8	790.5	9.8	1.2	800.3	38.8	839.1
5. Sale of gift items	1 696.2	–	–	–	–	–	–
6. Garage operations	1 594.4	1 809.6	(28.4)	(1.5)	1 781.2	54.5	1 835.7
7. Catering operations	–	–	880.0	–	880.0	21.6	901.6
8. Other commercial operations	–	–	22.6	–	22.6	0.6	23.2
9. Revenue Accounts Unit	– [a]	672.8	–	–	672.8	30.7	703.5
Total, income section	**44 951.1**	**48 725.5**	**495.6**	**1.0**	**49 221.1**	**1 667.4**	**50 888.5**

[a] For the biennium 1996–1997, expenditures relating to the Revenue Accounts Unit are recorded under section 27B.

Table IS3.3 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1996-1997 expenditures*	*1998-1999 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*2000-2001 estimates*
			Amount	*Percentage*			
Posts	22 241.5	22 375.5	(629.3)	(2.8)	21 746.2	586.7	22 332.9
Other staff costs	8 607.6	9 964.3	(1 418.0)	(14.2)	8 546.3	354.4	8 900.7
Non-staff compensation	28.7	161.6	–	–	161.6	1.9	163.5
Consultants and experts	175.7	260.7	93.7	35.9	354.4	13.8	368.2
Travel	345.3	534.5	(118.9)	(22.2)	415.6	20.1	435.7
Contractual services	5 072.9	6 215.9	1 212.8	19.5	7 428.7	274.2	7 702.9
General operating expenses	2 707.9	3 087.2	676.3	21.9	3 763.5	136.6	3 900.1
Hospitality	1.0	27.0	(0.2)	(0.7)	26.8	0.9	27.7
Supplies and materials	489.7	919.1	(58.2)	(6.3)	860.9	34.8	895.7
Furniture and equipment	287.6	590.4	(32.7)	(5.5)	557.7	23.0	580.7
Grants and contributions	2.2	0.7	(0.7)	(100.0)	–	–	–
Other	4 991.0	4 588.6	770.8	16.7	5 359.4	221.0	5 580.4
Total	**44 951.1**	**48 725.5**	**495.6**	**1.0**	**49 221.1**	**1 667.4**	**50 888.5**

Table IS3.4 **Post requirements**

Programme: services to the public

	Established posts		*Temporary posts*					
	Regular budget		*Regular budget*		*Extrabudgetary resources*		*Total*	
	1998-1999	*2000-2001*	*1998-1999*	*2000-2001*	*1998-1999*	*2000-2001*	*1998-1999*	*2000-2001*
Professional category and above								
D-1	1	1	–	–	–	–	1	1
P-5	2	2	–	–	–	–	2	2
P-4/3	16	15	–	–	–	–	16	15
P-2/1	5	5	–	–	–	–	5	5
Total	**24**	**23**	**–**	**–**	**–**	**–**	**24**	**23**
General Service category								
Principal level	7	8	–	–	–	–	7	8
Other level	101	98	–	–	–	–	101	98
Total	**108**	**106**	**–**	**–**	**–**	**–**	**108**	**106**
Other categories								
Security Service	2	2	–	–	–	–	2	2
Total	**2**	**2**	**–**	**–**	**–**	**–**	**2**	**2**
Grand total	**134**	**131**	**–**	**–**	**–**	**–**	**134**	**131**

A. Programme of work

IS3.7 The Commercial Activities Service of the Office of Central Support Services responds to the objectives of subprogramme 24.4, Support services, of programme 24, Management and central support services, of the medium-term plan, in respect of the following activities: United Nations Postal Administration (UNPA);

the gift shop; the news-stand; and garage operations. In carrying out the activities during the biennium 2000–2001, the Service will strive to promote greater awareness of the aims and activities of the United Nations and maximize the effectiveness of its operations.

IS3.8 In addition to the activities enumerated above, the Service is responsible for the administration of the catering contract at Headquarters. Under the terms of a six-year contract, effective April 1997, the contractor will make substantial capital improvements to the catering facilities and will provide the equipment for catering. In addition, the contractor will pay to the United Nations a share of its gross sales, equivalent to $500,000 a year. The United Nations will utilize a portion of this income to fund its expenditures relating to utilities and other costs associated with the catering operation.

IS3.9 The Department of Public Information provides coordination and management of the sale of United Nations publications carried out at Headquarters and Geneva as well as for services to United Nations visitors. The objective of the Department is to provide the widest possible dissemination of information about the United Nations to the general public, while providing net revenues for the Organization from these operations.

1. United Nations Postal Administration operations

Table IS3.5 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	1998-1999 approved estimates	*2000-2001 estimates*	*2000-2001 increase (decrease)*
Gross sales	29 918.1	27 550.0	(2 368.1)
Less			
(a) Payments for mail carrying and cancellation charges	2 660.0	2 550.0	(110.0)
(b) Refunds, adjustments and commissions	1 540.0	1 650.0	110.0
Gross revenue	25 718.1	23 350.0	(2 368.1)
Less expenses against revenue	21 503.1	20 973.6	(529.5)
Net revenue	**4 215.0**	**2 376.4**	**(1 838.6)**

Table IS3.6 **Estimates of gross and net revenue, by organizational unit**

(Thousands of United States dollars)

	1998-1999 approved estimates	*2000-2001 estimates*	*2000-2001 increase (decrease)*
(a) Headquarters			
Gross revenue	10 020.6	11 200.0	1 179.4
Less expenses against revenue [a]	10 238.7	11 161.2	922.5
Net revenue	(218.1)	38.8	256.9
(b) European Office			
Gross revenue [a]	15 697.5	12 150.0	(3 547.5)
Less expenses against revenue	11 264.4	9 812.4	(1 452.0)
Net revenue	4 433.1	2 337.6	(2 095.5)
Total gross revenue	25 718.1	23 350.0	(2 368.1)
Less total expenses against revenue	21 503.1	20 973.6	(529.5)
Total net revenue	**4 215.0**	**2 376.4**	**(1 838.6)**

[a] Including expenditures of the Commercial Activities Service relating to management of the United Nations Postal Administration operations.

Table IS3.7 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1996-1997 expenditures*	*1998-1999 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*2000-2001 estimates*
			Amount	*Percentage*			
Posts	12 954.8	11 130.6	(156.1)	(1.4)	10 974.5	252.3	11 226.8
Other staff costs	2 551.5	3 136.6	(695.7)	(22.1)	2 440.9	92.7	2 533.6
Non-staff compensation	28.7	161.6	–	–	161.6	1.9	163.5
Consultants and experts	5.4	97.3	87.1	89.5	184.4	5.6	190.0
Travel	147.3	331.6	(128.3)	(38.6)	203.3	9.9	213.2
Contractual services	3 856.0	4 596.3	–	–	4 596.3	167.8	4 764.1
General operating expenses	873.1	1 195.3	(103.2)	(8.6)	1 092.1	43.5	1 135.6
Hospitality	0.4	17.9	–	–	17.9	0.6	18.5
Supplies and materials	343.1	555.3	(104.9)	(18.8)	450.4	16.6	467.0
Furniture and equipment	99.7	280.6	(29.7)	(10.5)	250.9	10.4	261.3
Total	**20 860.0**	**21 503.1**	**(1 130.8)**	**(5.2)**	**20 372.3**	**601.3**	**20 973.6**

Table IS3.8 **Post requirements**

Programme: United Nations Postal Administration operations [a]

	Established posts		*Temporary posts*					
	Regular budget		*Regular budget*		*Extrabudgetary resources*		*Total*	
	1998-1999	*2000-2001*	*1998-1999*	*2000-2001*	*1998-1999*	*2000-2001*	*1998-1999*	*2000-2001*
Professional category and above								
D-1	1	1	–	–	–	–	1	1
P-5	1	1	–	–	–	–	1	1
P-4/3	8	7	–	–	–	–	8	7
P-2/1	1	1	–	–	–	–	1	1
Total	**11**	**10**	**–**	**–**	**–**	**–**	**11**	**10**
General Service category								
Principal level	5	6	–	–	–	–	5	6
Other level	53	52	–	–	–	–	53	52
Total	**58**	**58**	**–**	**–**	**–**	**–**	**58**	**58**
Grand total	**69**	**68**	**–**	**–**	**–**	**–**	**69**	**68**

[a] Including posts of the Commercial Activities Service relating to management of the United Nations Postal Administration operations (one D-1, two P-4, one P-3, one P-2/1, and one General Service (Other level) posts).

IS3.10 In line with the objectives of subprogramme 24.4, Support services, of programme 24, Management and central support services, of the medium-term plan, as revised (A/53/6/Rev.1). UNPA will continue to publicize the work and achievements of the United Nations and the specialized agencies, while at the same time generating revenue through philatelic sales.

IS3.11 The activities are directed by the Office of the Chief, Commercial Activities Service, with common services such as stamp design and computer-related functions being coordinated through the UNPA Global Office. Following a comprehensive review of UNPA operations in 1996, the Service has developed a business plan to take into account changes in the philatelic market. The proposals of the plan have been implemented with all substantive decisions relating to stamp themes, selection of artists and design of stamps and related

philatelic material to be continued at Headquarters. The responsibility for the operational aspects of Geneva and Vienna have been decentralized to the UNPA European Office at Vienna. As envisaged, that decentralization of operations has enabled enhanced monitoring of the activities of the European Office.

IS3.12 In the biennium 2000–2001, UNPA will continue to build on its special relationship with the national postal administrations of Member States and to seek their greater cooperation, in particular with respect to the availability of United Nations philatelic material through commercial outlets of national postal administrations. With regard to the markets serviced by UNPA/Headquarters, agreement has been reached with country and regional representatives to represent UNPA in their markets on a commission basis. UNPA will continue its efforts to expand the operations in the philatelic markets in other regions.

IS3.13 The total estimates of gross revenue projected by the UNPA offices are presented in table IS3.5. It is estimated at $23,350,000, which is $2,368,100 less than the approved estimates for the biennium 1998–1999. The decrease reflects a similar decline experienced in the philatelic industry in general, as a result of a worldwide economic downturn affecting these products.

Outputs

IS3.14 During the biennium 2000–2001, the following outputs will be delivered:

1. *Information materials and services*

   Printing of philatelic materials. Issuance of United Nations postage stamps and postal stationery, including the subject, design and quantity to be printed; and security and archival safe keeping of postal stocks.

2. *International cooperation*

   External relations. Maintaining liaison with the postal authorities of the United States of America, Switzerland, Austria and other countries regarding postal and philatelic regulations and procedures; and maintaining liaison with the Universal Postal Union regarding philatelic and postal regulations and procedures. In this latter connection, UNPA will continue to strengthen its participation in activities of the World Association for the Development of Philately established by the Director-General of the Universal Postal Union in 1997.

3. *Administrative support services*

   Marketing. Examination and introduction of new concepts in management and marketing approaches to increase gross sales; and review of current procedures with a view to enhancing efficiency and increasing net income.

Resource requirements (at current rates)

Posts

IS3.15 The estimated requirements of $10,974,500 relate to the combined costs of the Commercial Management Service and Postal Administration posts as detailed in table IS3.8 above. The proposals reflect the abolition of one P-3 post, the Head of the Graphics Unit. Following a review of the functions of the post, it has been determined that the supervisory functions of the Head of the Unit could be reassigned to the P-4 officer in the Office of the Chief of the Service. The remaining functions of the post, which are limited to coordination and technical supervision of design and adaptation of existing artistic material into postage stamps format, could be isolated. Those were classified in the General Service category, at the principal level. Accordingly, it is proposed to reclassify the existing one General Service (Other level) post to the Principal level for that purpose.

Other staff costs

IS3.16 The requirement of $2,440,900, reflecting a decrease of $695,700, would include (a) a provision of $35,000 to cover general temporary assistance to meet peak workload requirements of the Global Office at

Headquarters; (b) a provision of $2,289,400 to engage the services of hourly paid workers to perform order processing and preparation of philatelic material for dispatch from Headquarters and the European Office; and (c) requirements for overtime during stamp exhibitions, the sale of first day of issue stamps and other periods of peak workload for the Postal Administration as a whole ($116,500). The decrease of $695,700 results mainly from the extensive reorganization and consolidation of the UNPA operations in Europe, which has reduced requirements for hourly workers provided under general temporary assistance.

Non-staff compensation

IS3.17 The requirement of $161,600, at a maintenance level, provides for design artwork for philatelic stamps and promotional materials.

Consultants and experts

IS3.18 The requirements of $184,400 under this heading, reflecting an increase of $87,100, would provide for special services and research not available internally in product marketing and promotion at the European Office. The experience in engaging external marketing and promotional expertise gained during the biennium 1998–1999, and the additional challenges of expanding UNPA's share of the philatelic market in Europe and Africa facing UNPA during the biennium 2000–2001, indicate that such expertise needs to be progressively employed.

Travel

IS3.19 The requirements of $203,300, reflecting a reduction of $128,300, would cover travel of the UNPA staff for promotional and representational activities with respect to establishing cooperation with national postal administrations, maintaining contact with international and national philatelic organizations, developing new sources for the distribution of United Nations postage stamps, representation at major international philatelic shows and coordination of the activities of the UNPA offices.

Contractual services

IS3.20 The estimated requirements of $4,596,300, at the maintenance level, would cover: (a) the consolidated cost of printing of stamps ($2,051,700) in all UNPA offices; (b) the overall programmes of advertising and promotional activities ($2,413,400); and (c) contractual upgrading of the DOS-based UNPA software applications and support for the computer workstations ($131,200).

General operating expenses

IS3.21 The estimated requirement of $1,092,100, reflecting a decrease of $103,200, would cover maintenance of office automation equipment ($142,800), communications requirements resulting from greater use of electronic mailing ($363,800) and miscellaneous services, including stamp affixing and insurance requirements, the cost of stock delivery to dealers and of promotional mailings, envelopes, posters and circulars ($585,500). The reduction of $103,200 is attributed to a more competitive bulk purchasing strategy in Europe for items under miscellaneous services.

Hospitality

IS3.22 The requirements of $17,900, at the maintenance level, are for hospitality in the context of the promotional activities with philatelic associations and government officials, planned as part of the marketing strategy.

Supplies and materials

IS3.23 The requirements of $450,400, which reflect a decrease of $104,900, would cover the cost of office supplies, customer statements and other materials required. The decrease is the result of following a more competitive bulk purchasing strategy in Europe, resulting in lower unit costs.

Furniture and equipment

IS3.24 The requirements of $250,900, reflecting a decrease of $29,700, would provide for the purchase of additional office equipment for the UNPA offices ($86,400) and the replacement of existing office automation equipment ($164,500).

2. Sale of United Nations publications

Table IS3.9 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	1998-1999 approved estimates	*2000-2001 estimates*	*2000-2001 increase (decrease)*
Gross sales	15 332.0	19 130.0	3 798.0
Less cost of goods sold	4 588.6	5 580.4	991.8
Gross revenue	10 743.4	13 549.6	2 806.2
Less expenses against revenue	10 293.4	10 871.4	578.0
Net revenue	**450.0**	**2 678.2**	**2 228.2**

Table IS3.10 **Estimates of gross and net revenue, by organizational unit**

(Thousands of United States dollars)

	1998-1999 approved estimates	*2000-2001 estimates*	*2000-2001 increase (decrease)*
(a) Headquarters			
Gross revenue	8 074.5	9 800.0	1 725.5
Less expenses against revenue	7 882.1	8 853.2	971.1
Net revenue	192.4	946.8	754.4
(b) Bookshop, Headquarters			
Gross revenue	2 561.0	3 400.0	839.0
Less expenses against revenue	2 105.9	2 537.5	431.6
Net revenue	455.1	862.5	407.4
(c) Geneva			
Gross revenue	4 696.5	5 930.0	1 233.5
Less expenses against revenue	4 894.0	5 061.1	167.1
Net revenue	(197.5)	868.9	1 066.4
Total gross revenue	15 332.0	19 130.0	3 798.0
Less total expenses against revenue	14 882.0	16 451.8	1 569.8
Total net revenue	**450.0**	**2 678.2**	**2 228.2**

Table IS3.11 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1996-1997 expenditures*	*1998-1999 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*2000-2001 estimates*
			Amount	*Percentage*			
Posts	5 899.5	6 029.3	(473.2)	(7.8)	5 556.1	168.1	5 724.2
Other staff costs	879.5	1 022.3	(548.0)	(53.6)	474.3	21.6	495.9
Travel	80.5	84.1	–	–	84.1	4.0	88.1
Contractual services	720.4	1 140.3	1 224.5	107.3	2 364.8	85.8	2 450.6
General operating expenses	1 589.5	1 661.4	–	–	1 661.4	67.3	1 728.7
Hospitality	0.6	4.7	–	–	4.7	0.1	4.8
Supplies and materials	84.0	120.8	16.3	13.4	137.1	5.4	142.5
Furniture and equipment	124.5	230.5	(3.0)	(1.3)	227.5	9.1	236.6
Other	4 010.2	4 588.6	770.8	16.7	5 359.4	221.0	5 580.4
Total	**13 388.7**	**14 882.0**	**987.4**	**6.6**	**15 869.4**	**582.4**	**16 451.8**

Table IS3.12 **Post requirements**

Programme: sale of United Nations publications

	Established posts		*Temporary posts*					
	Regular budget		*Regular budget*		*Extrabudgetary resources*		*Total*	
	1998-1999	*2000-2001*	*1998-1999*	*2000-2001*	*1998-1999*	*2000-2001*	*1998-1999*	*2000-2001*
Professional category and above								
P-5	1	1	–	–	–	–	1	1
P-4/3	3	3	–	–	–	–	3	3
P-2/1	2	2	–	–	–	–	2	2
Total	**6**	**6**	**–**	**–**	**–**	**–**	**6**	**6**
General Service category								
Principal level	2	2	–	–	–	–	2	2
Other level	26	24	–	–	–	–	26	24
Total	**28**	**26**	**–**	**–**	**–**	**–**	**28**	**26**
Grand total	**34**	**32**	**–**	**–**	**–**	**–**	**34**	**32**

IS3.25 These activities relate to one of the objectives of subprogramme 23.4, Publication services, of programme 23, Public information, of the medium-term plan, as revised (A/53/6 Rev.1), which established important channels for dissemination of information about the work and role of the Organization through the promotion and sale of United Nations publications. They include general marketing and sale of reports, books, periodicals, documents, microforms, databases, video and CD-ROMs, as well as other electronic formats. External publication by other international commercial publishers of United Nations books, studies, documents and reports is also facilitated. The activities, including the bookshop operation, are carried out by the Sales and Marketing Section, Headquarters and the Sales Unit at Geneva under the direction of the Library and Publications Division, Department of Public Information. A related objective of the subprogramme is to provide net revenue to the Organization without adversely affecting the widest possible dissemination of information to the public.

IS3.26 The Publications Board, under the chairmanship of the Under-Secretary-General of the Department of Public Information, has overall responsibility for the establishment and execution of the publications programme, including the production, costing and determination of the policies governing the sale of published materials.

IS3.27 Gross income from the sale of publications, as indicated in the table below, decreased in 1996–1997 in comparison with the biennium 1994–1995, owing to a drop in publications available for sale during the period. The biennium 1998–1999 has, however, seen a reversal in that trend. Sales of electronic products show a particular increase. In this connection, an external commercial provider has been contracted to enable customers to purchase publications directly over the Internet using a secure environment. Moreover, expanded cooperation with some of the specialized agencies in distributing their publications has further contributed to the increase in sales. The Department surveys the end-users with a view to rationalizing the approach to promotional activities.

	1992–1993	*1994–1995*	*1996–1997*	*1998–1999 (estimated)*	*2000–2001 (projected)*
	(Millions of United States dollars)				
Gross sales	**15.9**	**16.2**	**15.1**	**15.6**	**19.3**

IS3.28 In the context of the measures in response to resolution 52/220 of 22 December 1997, and in view of the relatively high personnel costs incurred under the present arrangement, the possibility of engaging the outside contractor to run the bookshop in the Palais des Nations at Geneva has been explored. The related proposal is made in the context of the proposed programme budget for the biennium 2000–2001 under this section. It is expected that the new arrangements will improve the efficiency of the operation.

Activities

IS3.29 During the biennium 2000–2001, the following activities will be undertaken:

Documentation and publication services. The activities carried out are in implementation of subprogramme 23.4, Publication services, of programme 23, Public information, of the medium-term plan, as revised (A/56/6/Rev.1), and relate basically to sales, marketing and product development as follows:

(a) Sale of United Nations publications, documents, reports, books, periodicals, microforms, video databases and other published materials;

(b) Advertising and promotion of United Nations publications through direct-marketing, journal advertising and attendance at various subject-related exhibits;

(c) Advice to author departments on improving the quality of their publications to reach as wide a readership as possible and to generate maximum sale of successful titles;

(d) Technological innovations to keep abreast of the current electronic dissemination capabilities to ensure that information on United Nations programmes is sold through the best medium at the fairest price;

(e) Supervision of United Nations bookshops;

(f) Development and marketing of United Nations publications of a more general nature;

(g) Implementation of a global marketing strategy aimed at cost-containment and penetration of international market segments through surveys and analysis.

Resource requirements (at current rates)

Posts

IS3.30 The estimated requirements of $5,556,100, reflecting a decrease of $473,200, would provide for salaries and common staff costs of six Professional and 26 General Service (Other level) posts, including one P-5, one P-4, one P-3, two P-2/1 and 17 General Service posts, including one at the Principal level in the Sales and Marketing Section at Headquarters, and one P-4 and nine General Service posts, including one at the Principal level in the Sales Unit at Geneva. The decrease in costs is attributable to the proposed abolition of two General Service (Other level) posts at Geneva, for sales persons to operate the bookshop, as a result of the utilization of an outside contractor for bookshop operations.

Other staff costs

IS3.31 The estimated requirements of $474,300, reflecting a decrease of $548,000, would cover general temporary assistance requirements ($455,900) for replacements during extended leave of staff and additional staff requirements, in particular in the area of sales through the Internet and temporary hiring for advertising copywriters and designers for special work on Internet design, direct-mail pieces, electronic publishing, video, CD-ROM and souvenir items and undertaking market studies, and for overtime ($18,400) at both Headquarters and Geneva. The decrease results from a transfer of the costs relating to salaries of the employees of the bookshop at Headquarters engaged through an employment agency previously budgeted under this budget line to the contractual services budget line.

Travel

IS3.32 The estimated requirement of $84,100, at the maintenance level, relates to travel of staff of both the Headquarters and Geneva units in connection with attendance at exhibits and planned visits to sales agents, universities and libraries worldwide and to market focus groups, with a view of promotion and dissemination of information about United Nations publications.

Contractual services

IS3.33 The requirements under this heading ($2,364,800), reflecting an increase of $1,224,500, represent the combined costs of: (a) direct-mail advertising, placement of advertisements in the media, including journals, newspapers, radio, brochures and catalogues, rental of exhibit space, Internet service fees and expenses related to selective use of advertising and promotion agencies for United Nations publications both at Headquarters and Geneva, totalling $1,210,900, including additional requirements of $70,600; (b) new requirements of $440,000 at Geneva relating to the changeover of the bookshop operation to an outside contractor; and (c) transfer to this budget line from the general temporary assistance budget line of costs in the amount of $713,900 relating to contractor costs at the bookshop at Headquarters.

General operating expenses

IS3.34 The requirements of $1,661,400, at the maintenance level, would provide for general operating expenses at both Headquarters and Geneva for:

(a) Requirements in the amount of $187,600 for rental and maintenance of electronic data-processing, office automation and other equipment, relating both to the sale of publications and bookshop operations;

(b) Communications requirements of $972,700 to cover pouch, postage and other mailing and shipping costs associated with sales operations at both Headquarters and Geneva;

(c) Requirements for miscellaneous services of $501,100 to cover freight costs, bank fees and other miscellaneous requirements.

Hospitality

IS3.35 Hospitality requirements ($4,700), at the maintenance level, are associated with the launching of new publications and an annual promotional reception for customers of United Nations publications.

Supplies and materials

IS3.36 A provision of $137,100, including an increase of $16,300, which would cover electronic data-processing supplies, other office supplies, sales support materials such as customer packing slips, invoices, account statements, paper bags, carrier bags, wrapping paper, shipping boxes and exhibition kits both at Headquarters and Geneva.

Furniture and equipment

IS3.37 The requirements under this heading ($227,500), reflecting a decrease of $3,000, relate to the acquisition of office automation and special equipment to access electronic databases and to provide capability for print-on-demand documents, as well as new office fixtures, bar code readers and other equipment required for operating the sales of publications both at Headquarters and Geneva.

Other

IS3.38 Requirements of $5,359,400, reflecting an increase of $770,800, would cover costs of design, editing and production of publications, purchase of books and other publications from other United Nations agencies for resale and the inventory requirements for both Headquarters and Geneva. The increase is mainly attributable to an expected increase in the purchase of books and other publications for resale.

3. Services to visitors

Table IS3.13 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	1998-1999 approved estimates	*2000-2001 estimates*	*2000-2001 increase (decrease)*
Headquarters			
Gross revenue	4 964.9	5 550.0	585.1
Less expenses against revenue	6 534.2	6 781.0	246.8
Net revenue	(1 569.3)	(1 231.0)	338.3
Geneva			
Gross revenue	1 399.0	1 225.0	(174.0)
Less expenses against revenue	1 716.0	1 713.8	(2.2)
Net revenue	(317.0)	(488.8)	(171.8)
Vienna			
Gross revenue	189.6	190.0	0.4
Less expenses against revenue	817.3	665.2	(152.1)
Net revenue	(627.7)	(475.2)	152.5
Total gross revenue	6 553.5	6 965.0	411.5
Less total expenses against revenue	9 067.5	9 160.0	92.5
Total net revenue	**(2 514.0)**	**(2 195.0)**	**319.0**

Table IS3.14 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1996–1997 expenditures*	*1998–1999 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*2000–2001 estimates*
			Amount	*Percentage*			
Posts	2 446.0	3 619.5	–	–	3 619.5	113.4	3 732.9
Other staff costs	3 865.3	5 048.6	(280.1)	(5.5)	4 768.5	206.3	4 974.8
Travel	–	4.2	–	–	4.2	0.2	4.4
Contractual services	170.8	217.6	–	–	217.6	8.4	226.0
General operating expenses	12.2	23.4	–	–	23.4	0.8	24.2
Hospitality	–	4.4	(0.2)	(4.5)	4.2	0.2	4.4
Supplies and materials	46.8	78.3	35.3	45.0	113.6	5.1	118.7
Furniture and equipment	46.7	71.5	–	–	71.5	3.1	74.6
Grants and contributions	2.2	–	–	–	–	–	–
Total	**€ 590.0**	**9 067.5**	**(245.0)**	**(2.7)**	**8 822.5**	**337.5**	**9 160.0**

Table IS3.15 **Post requirements**

Programme: services to visitors

	Established posts		*Temporary posts*					
	Regular budget		*Regular budget*		*Extrabudgetary resources*		*Total*	
	1998–1999	*2000–2001*	*1998–1999*	*2000–2001*	*1998–1999*	*2000–2001*	*1998–1999*	*2000–2001*
Professional category and above								
P-4/3	4	4	–	–	–	–	4	4
P-2/1	2	2	–	–	–	–	2	2
Total	**6**	**6**	**–**	**–**	**–**	**–**	**6**	**6**
General Service category								
Other level	15	15	–	–	–	–	15	15
Total	**15**	**15**	**–**	**–**	**–**	**–**	**15**	**15**
Grand total	**21**	**21**	**–**	**–**	**–**	**–**	**21**	**21**

IS3.39 The activities relating to servicing of visitors fall under the responsibility of the Department of Public Information. The objective of the subprogramme is to promote an informed understanding of the purpose and role of the United Nations to the widest possible audience and to increase the visibility and viability of the United Nations Headquarters and the Offices at Geneva and Vienna as attractions for the general public and specialized groups.

IS3.40 The ability of the guided tour operations to generate revenue has been severely hampered for several years. Since 1993, heightened security measures at Headquarters have had serious and adverse implications for the operation, as the maximum number of people per guide has been reduced by some 40 per cent. Subsequently, the overall number of visitors rose in 1995, reflecting general interest in the United Nations on the occasion of its fiftieth anniversary. That trend has continued during the bienniums 1996–1997 and 1998–1999. That being the case, a modest annual increase in the number of visitors at Headquarters taking the tour is projected for the coming biennium.

IS3.41 At Headquarters, the ticket prices for adults would remain unchanged at the current level of $7.50 per person. However, they will be increased for other categories of visitors, to $6.00 (senior citizens), $5.00 (students)

and $4.00 (children). Of the total number of visitors at Headquarters, approximately 44 per cent are expected to be adults, 9 per cent senior citizens and 45 per cent students and children. Approximately 2 per cent of tickets issued to travel agents and media representatives are complimentary.

IS3.42 At Geneva, the number of visitors expected is estimated at 260,000 for the biennium 2000–2001. The increase in the number of visitors would be accomplished through active promotion and publicity of visits to the Office, including the sale of United Nations souvenirs, postcards and "Passes for Peace". The entrance fees will be maintained at the current levels.

IS3.43 At Vienna, it is estimated that the number of tour participants will increase by 13,000 to 113,000 during the biennium 2000–2001. This increase is expected to result from the planned advertising and promotional activities by the Visitors' Service to publicize visits to the Vienna International Centre. The admission fee structure will remain the same as in the prior biennium.

IS3.44 The actual and estimated numbers of tour participants since 1990 are as follows:

	Headquarters	*Geneva*	*Vienna*
1990	496 229	144 210	71 250
1991	473 570	123 772	68 008
1992	474 430	113 955	69 159
1993	415 641	122 633	61 735
1994	389 610	114 594	59 334
1995	415 247	149 784	51 125
1996	420 370	111 979	50 371
1997	415 681	119 101	49 089
1998	436 465	120 394	47 816
1999 (estimated)	449 000	130 000	52 000
2000 (estimated)	463 000	130 000	55 000
2001 (estimated)	477 000	130 000	58 000

Outputs

IS3.45 During the biennium the following outputs will be delivered:

1. *Other substantive activities*

   (a) Exhibits, guided tours and lectures. Organizing and conducting year-round guided lecture tours and group visits of United Nations Headquarters and the Offices at Geneva and Vienna in approximately 20 languages; organization of briefings and workshops on various United Nations issues for visiting groups; and organization of speaking engagements by Secretariat officials in response to requests from organizations and academic institutions away from Headquarters;

   (b) Special events. Organization of promotional events such as open house or inter-agency information fairs aimed at attracting more visitors to the United Nations and broadening their understanding of its work;

2. *Administrative support services*

   (a) Overall administration and management: Preparation, control and monitoring of the activity's budget and provision of treasury and accounting services in relation to sales generated from tours;

   (b) Human resources management: All aspects of staff administration and recruitment of public information assistants (guides) on special service agreements.

Resource requirements (at current rates)

Posts

IS3.46 The estimated requirements of $3,619,500 would provide for the continuation of posts in the public services unit of the Department of Public Information at Headquarters, Geneva and Vienna, as detailed in table IS3.15 above.

Other staff costs

IS3.47 The estimated requirements of $4,768,500, reflecting a decrease of $280,100, would cover the costs of: (a) salaries of 16 full-time public information assistants, four tour coordinators, one senior tour coordinator, one briefing assistant and two clerical support staff at Headquarters; 10 guides and one cashier in Geneva; and the contracts, on an hourly basis, for 24 guides and one cashier in Vienna ($2,891,500); (b) the recruitment of guides under special service agreements in varying numbers, depending on the time of year at Headquarters ($1,866,600); and (c) the provision of $10,400 for overtime in connection with the operation of the services on holidays. The decrease ($280,100) is attributable to lower than previously budgeted requirements for the information staff estimated on the basis of past expenditure patterns.

Travel

IS3.48 The requirement, at the maintenance level, of $4,200 provides for travel for consultations on issues related to the development of the services and consultations with the Visitors' Services in Geneva and Vienna on operational, cost-effectiveness, visitor flow, income-generating and promotional activities.

Contractual services

IS3.49 The requirements of $217,600, at the maintenance level, would provide for (a) the cost of translation of texts of promotional materials into various languages ($2,900); (b) costs relating to publicizing and promoting visits to the United Nations, including the printing and distribution of promotional brochures and other materials, advertising in travel and tourism industry publications and updating United Nations exhibits ($214,700).

General operating expenses

IS3.50 The estimated requirements of $23,400, at the maintenance level; relate to the maintenance of office automation equipment, cash registers and static exhibits along the guided tour route ($16,000) and miscellaneous services, which would include the costs associated with the modification and construction of tour ticket and dispatch counters to accommodate computer and other equipment, brochure racks and related items ($7,400).

Hospitality

IS3.51 The hospitality requirement of $4,200 covers the costs of events aimed at enhancing contacts with the New York City tourism industry, with a view to increasing the number of visitors to Headquarters and generating interest in improving the guided tour route.

Supplies and materials

IS3.52 The requirements of $113,600, including an increase of $35,300, would cover the purchase of office supplies and related expenses ($27,400) and the replacement cost of the guides' uniforms in the year 2000 at Headquarters and Vienna ($86,200).

Furniture and equipment

IS3.53 The requirement of $71,500, at a maintenance level, would cover acquisition of software for central support and the replacement of office automation equipment ($39,800); and video and other exhibit materials and equipment, including photographic reproductions, needed to update and enhance the tour route and briefing facilities ($31,700).

4. Sale of statistical products

Table IS3.16 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	1998 1999 approved estimates	*2000 2001 estimates*	*2000 2001 increase (decrease)*
Gross revenue	802.3	900.0	97.7
Less expenses against revenue	790.5	839.1	48.6
Net revenue	**11.8**	**60.9**	**49.1**

Table IS3.17 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1996 1997 expenditures*	*1998 1999 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*2000 2001 estimates*
			Amount	*Percentage*			
Other staff costs	231.0	238.2	5.5	2.3	243.7	11.8	255.5
Consultants and experts	170.3	163.4	6.6	4.0	170.0	8.2	178.2
Travel	117.5	114.6	9.4	8.2	124.0	6.0	130.0
Contractual services	295.8	261.7	(11.7)	(4.4)	250.0	12.2	262.2
General operating expenses	5.0	4.8	–	–	4.8	0.2	5.0
Furniture and equipment	2.2	7.8	–	–	7.8	0.4	8.2
Total	**821.8**	**790.5**	**9.8**	**1.2**	**800.3**	**38.8**	**839.1**

IS3.54 During the biennium 2000–2001, the sales activities of the Statistics Division of the Department of Economic and Social Affairs under this section will complement the work of subprogramme 28.5, Statistics, of programme 28, Economic and social affairs, of the medium-term plan for the period 1998–2001, as revised (A/53/6/Rev.1). The activities will aim at enhancing international statistical development and coordination and the collection, compilation and dissemination of statistical data. The activities are expected to be self-supporting from revenues generated by sales of statistical publications, data and services. The related income and expenditures were heretofore reflected under miscellaneous income in Income section 2.

Resource requirements (at current rates)

Other staff costs

IS3.55 The estimated requirement of $243,700, reflecting an increase of $5,500, would cover approximately 48 work-months requirements at the General Service (Other level) category, under general temporary assistance, to provide secretarial and administrative support and perform data compilation and related duties ($222,600); and overtime requirements during periods of peak workload ($21,100).

Consultants and experts

IS3.56 The estimated requirements of $170,000, reflecting an increase of $6,600, is proposed for consultancy services for further enhancement and development of trade and other statistical databases.

Travel

IS3.57 The provision of $124,000, reflecting an increase of $9,400, would cover the cost of travel in connection with attendance at various meetings to discuss and consult with other agencies and organizations on statistical data, databases and products.

Contractual services

IS3.58 The provision of $250,000, reflecting a decrease of $11,700, relates to the cost of rental of disc space for storage of time-series data and production of microfiches and CD-ROMs containing trade data.

General operating expenses

IS3.59 The estimated requirements of $4,800 relate to the cost of mailing tapes and diskettes to customers.

Furniture and equipment

IS3.60 The estimated requirements of $7,800 relate to acquisition of office automation equipment, mainly computer supplies such as electronic media and other related expendable material utilized for activities related to the preparation, processing and dissemination of statistical data.

5. Sale of gift items

Table IS3.18 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	1998-1999 approved estimates	*2000-2001 estimates*	*2000-2001 increase (decrease)*
Revenue	1 700.0	1 825.0	125.0
Total	**1 700.0**	**1 825.0**	**125.0**

IS3.61 The activities relating to the sale of gift items are included in one of the objectives of subprogramme 24.4, Support services, of programme 24, Management and central support services, of the medium-term plan, as revised (A/53/6/Rev.1). They provide visitors, staff members and members of delegations in New York with United Nations mementos and souvenirs, as well as handicrafts and other souvenirs from around the world. The giftshop at Headquarters is operated by a contractor who is required to provide the United Nations with a percentage of gross sales. During the biennium 1998–1999, the contractor undertook, at its own expense, major renovations of the Gift Centre. In addition, the contractor is in the process of developing a gift catalogue. For the biennium 1998–1999, the contractor projected a net income of $1.7 million in royalty payments to the United Nations. For the biennium 2000–2001, the net income is expected to increase to $1,825,000. Under the terms of the new arrangements, no direct operational costs would be incurred by the Organization. Premises are provided by the United Nations while utility charges are billed to the contractor.

6. News-stand operations

Table IS3.19 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	1998-1999 approved estimates	*2000-2001 estimates*	*2000-2001 increase (decrease)*
Revenue	100.0	200.0	100.0
Total	**100.0**	**200.0**	**100.0**

IS3.62 The news-stand, located in the Secretariat building, provides newspapers, magazines and sundry items to delegations and staff and is operated by a concessionaire. In line with requirements of resolution 52/220, a possibility for expanding this operation has been explored. A new proposal is being developed that would envisage the creation of another news-stand adjacent to the visitors' area at Headquarters. It is expected that the new contract would cover the operation of both news-stands. As a consequence, the income from this activity is expected to increase from $100,000 to $200,000 for the operation of both facilities.

7. Garage operations

Table IS3.20 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	1998 1999 approved estimates	*2000 2001 estimates*	*2000 2001 increase (decrease)*
Headquarters			
Gross revenue	1 922.0	2 076.0	154.0
Less expenses against revenue	862.3	900.4	38.1
Net revenue	1059.7	1 175.6	115.9
Geneva			
Gross revenue	392.7	390.0	(2.7)
Less expenses against revenue	379.3	378.9	(0.4)
Net revenue	13.4	11.1	(2.3)
Vienna			
Gross revenue	512.5	570.0	57.5
Less expenses against revenue	568.0	556.4	(11.6)
Net revenue	(55.5)	13.6	69.1
Total gross revenue	2 827.2	3 036.0	208.8
Less total expenses against revenue	1 809.6	1 835.7	26.1
Total net revenue	**1 017.6**	**1 200.3**	**182.7**

Table IS3.21 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1996 1997 expenditures*	*1998 1999 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*2000 2001 estimates*
			Amount	*Percentage*			
Posts	941.2	923.3	–	–	923.3	22.2	945.5
Other staff costs	436.1	518.6	(63.8)	(12.3)	454.8	14.6	469.4
General operating expenses	199.4	202.3	41.0	20.2	243.3	10.0	253.3
Supplies and materials	15.1	164.7	(4.9)	(2.9)	159.8	7.7	167.5
Furniture and equipment	2.6	–	–	–	–	–	–
Grants and contributions	–	0.7	(0.7)	(100.0)	–	–	–
Total	**1 594.4**	**1 809.6**	**(28.4)**	**(1.5)**	**1 781.2**	**54.5**	**1 835.7**

Table IS3.22 **Post requirements**

Programme: garage operations

	Established posts		*Temporary posts*					
	Regular budget		*Regular budget*		*Extrabudgetary resources*		*Total*	
	1998 1999	*2000 2001*	*1998 1999*	*2000 2001*	*1998 1999*	*2000 2001*	*1998 1999*	*2000 2001*
General Service category								
Other level	4	4	–	–	–	–	4	4
Total	4	4	–	–	–	–	4	4
Other categories								
Security Service	2	2	–	–	–	–	2	2
Total	2	2	–	–	–	–	2	2
Grand total	6	6	–	–	–	–	6	6

IS3.63 The garage operations at Headquarters and Geneva provide, under conditions and at rates established by the United Nations, parking facilities to delegates and staff. The garage operation at Vienna, which also provides parking facilities to delegates and staff, had been the responsibility of UNIDO since occupation of the Vienna International Centre by IAEA, UNIDO and the United Nations Office at Vienna in 1979. Subsequently, a tripartite agreement was reached whereby the United Nations Office at Vienna assumed responsibility for the operation as of 1994.

Resource requirements (at current rates)

Posts

IS3.64 The estimated requirements under this heading ($923,300), at the maintenance level, would provide for continuation of four General Service (Other level) posts and two Security Service posts, including two General Service (Other level) posts and two Security Service posts at Headquarters and two General Service (Other level) posts at Geneva, to be responsible for issuance of parking permits, decals, maintaining databases of the permit holders and applicants both for the Permanent Missions of Member States and staff, and for the patrolling of the garage premises.

Other staff costs

IS3.65 The estimated requirements of $454,800, reflecting a decrease of $63,800 would relate to: (a) a provision of general temporary assistance ($436,400) to continue funding of the positions of four security guards and one administrative clerk for the Garage Administration at Vienna, and (b) a provision of overtime ($18,400) for the Garage Administration at Headquarters to meet extended working time requirements, in particular during the sessions of the General Assembly. The decrease reflects past expenditure patterns under this budget line.

General operating expenses

IS3.66 The estimated requirements under this heading ($243,300), including an increase of $41,000 would cover: (a) requirements for outside contractors to provide for certain miscellaneous maintenance services required in the garage operation at Headquarters ($145,600) and (b) costs of utilities and other requirements for the garage operation at Vienna ($97,700). The increase of $41,000 is attributable to the additional requirements under utilities at Vienna, estimated on the basis of the past expenditure pattern.

Supplies and materials

IS3.67 The estimated requirements of $159,800, reflecting a decrease of $4,900, relate to supplies and materials required for the garage operations at Headquarters, Geneva and Vienna, such as parking tickets, receipts, stickers and specialized laminated supplies.

8. Catering operations

Table IS3.23 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	1998-1999 approved estimates	*2000-2001 estimates*	*2000-2001 increase (decrease)*
Gross revenue	–	1 000.0	1 000.0
Less expenses against revenue	–	901.6	901.6
Net revenue	**–**	**98.4**	**98.4**

Table IS3.24 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1996-1997 expenditures*	*1998-1999 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*2000-2001 estimates*
			Amount	*Percentage*			
Other staff costs	–	–	141.5	–	141.5	6.8	148.3
General operating expenses	–	–	738.5	–	738.5	14.8	753.3
Total	**–**	**–**	**880.0**	**–**	**880.0**	**21.6**	**901.6**

IS3.68 Following the recommendations by the Office of Internal Oversight Services in 1997, endorsed by the General Assembly in its resolution 51/231 of 13 June 1997, new catering arrangements have been developed to improve financial operations vis-à-vis the Organization. The catering operation was completely outsourced, with the United Nations maintaining monitoring of the contractor's performance under the terms of a contract signed in 1997. The contractor will make substantial capital improvements to the facilities and provide all the equipment required for the catering operation. Furthermore, the contractor will share with the United Nations a portion of its gross sales, subject to a minimum of $500,000 per annum. The United Nations will utilize a portion of this income to fund its expenditures associated with the catering operation. The proposals made under this part of the section reflect the estimated income to be received from the contractor and expenditures associated with the catering operations that would be incurred by the Office of Central Support Services.

Resource requirements (at current rates)

Other staff costs

IS3.69 The estimated requirements of $141,500 would cover general temporary assistance provisions required for administration of the contract and monitoring of the contractor's performance.

General operating expenses

IS3.70 The estimated requirements of $738,500 represent the utilities costs for the catering operation that would be financed from catering income.

9. Other commercial activities

Table IS3.25 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	1998 1999 approved estimates	*2000 2001 estimates*	*2000 2001 increase (decrease)*
Gross revenue	–	73.0	73.0
Less expenses against revenue	–	23.2	23.2
Net revenue	**–**	**49.8**	**49.8**

Table IS3.26 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1998 1999 expenditures*	*2000 2001 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*2000 2001 estimates*
			Amount	*Percentage*			
Other staff costs	–	–	22.6	–	22.6	0.6	23.2
Total	**–**	**–**	**22.6**	**–**	**22.6**	**0.6**	**23.2**

IS3.71 In response to provisions of resolution 52/220, the United Nations Office at Vienna has undertaken measures to establish income-generating activities at the Vienna International Centre. The United Nations Postal Administration shop, United Nations promotions and exhibits, a coffee shop, bookshop, hairdresser and flower shop have been housed at premises of the Vienna International Centre main entrance. The coffee shop is administered by UNIDO as part of the catering operation, while the bookshop, hairdresser and flower shop are administered by the United Nations and operated by contractors. These contractors reimburse the United Nations for all utility costs and also pay either a fixed annual fee or a percentage of their gross revenue to the Office at Vienna.

IS3.72 For the biennium 2000–2001, the total gross revenue to be received from the contractors is estimated at $73,000. The revenue is expected to be generated from the bookshop ($38,000), hairdresser ($16,000) and flower shop ($19,000).

Resource requirements (at current rates)

Other staff costs

IS3.73 The estimated requirements of $22,600 would cover general temporary assistance provisions required for the administration of the commercial contracts and operations described above.

B. Programme support

Revenue Accounts Unit

Table IS3.27 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1996–1997 expenditures*	*1998–1999 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*2000–2001 estimates*
			Amount	*Percentage*			
Posts	–[a]	672.8	–	–	672.8	30.7	703.5
Total	**–**	**672.8**	**–**	**–**	**672.8**	**30.7**	**703.5**

[a] For the biennium 1996–1997, expenditures relating to the Revenue Accounts Unit are recorded under section 27B.

Table IS3.28 **Post requirements**

Organizational unit: Revenue Accounts Unit/Accounts Division/Office of Programme Planning, Budget and Accounts

	Established posts		*Temporary posts*					
	Regular budget		*Regular budget*		*Extrabudgetary resources*		*Total*	
	1998–1999	*2000–2001*	*1998–1999*	*2000–2001*	*1998–1999*	*2000–2001*	*1998–1999*	*2000–2001*
Professional category and above								
P-4/3	1	1	–	–	–	–	1	1
Total	**1**	**1**	**–**	**–**	**–**	**–**	**1**	**1**
General Service category								
Other level	3	3	–	–	–	–	3	3
Total	**3**	**3**	**–**	**–**	**–**	**–**	**3**	**3**
Grand total	**4**	**4**	**–**	**–**	**–**	**–**	**4**	**4**

Resource requirements (at current rates)

Posts

IS3.74 The estimated requirements of $672,800, at the maintenance level, provide for the continuation of one P-4 and three General Service (Other level) posts responsible for revenue accounting.

Table IS3.29 **Summary of follow-up action taken to implement relevant recommendations of the internal and external oversight bodies and the Advisory Committee on Administrative and Budgetary Questions**

Brief description of the recommendation	*Action taken to implement the recommendation*
United Nations Postal Administration operations	
Advisory Committee on Administrative and Budgetary Questions (A/52/7, Chap. II, Income sections 1–3, para. IS3.2)	
The Secretary-General should explore ways in which fixed costs can be made more flexible, including staff costs.	As regards the Commercial Activities Service and, in particular, the United Nations Postal Administration, every effort is made to streamline the infrastructure. Particular emphasis is given to hiring hourly paid workers to respond to peak seasonal workload requirements.
Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audit of the United Nations Postal Administration (A/51/897, para. 16)	
UNPA should undertake an independent evaluation of current and alternative modes of fulfilling its mandate to determine which is the most economical and efficient. Alternative modes of delivery should include arrangements for the outsourcing of UNPA's operations, particularly the distribution function. Such evaluation must take into consideration the full cost of operating UNPA, including the cost of services currently provided by the United Nations free of charge. Pending the results of the above evaluation, UNPA should reflect in its financial statements the "full cost" of its operation, including the cost of services and facilities currently provided by the United Nations free of charge.	There is no agent in the market to undertake the outsourcing of sales. A consultant will be recruited to undertake studies on new marketing initiatives. Continuous assessments of processes and operations to optimal levels is in process. Initiatives were taken for introducing credit card payments and electronic transfers to UNPA. UNPA has continued to explore alternate methods of distribution. Further agreements have been reached with national postal administrations to include UNPA material in their philatelic programmes. In such cases the relevant national postal administration is allowed a commission on the stamps it sells. In addition, specific advertising campaigns have been undertaken by stamp dealers to promote and sell United Nations stamps. As regards the question of using a "full cost" approach to reviewing alternative methods of distribution, the position is being studied, bearing in mind that if it is done it should be on the basis of an organization-wide approach and not be limited to UNPA. Nonetheless, UNPA is continuing its review of its working methods and will continue to explore all possibilities that would result in optimizing income to the Organization.

Brief description of the recommendation	*Action taken to implement the recommendation*
Garage	
Advisory Committee on Administrative and Budgetary Questions (A/52/7, Chap. II, Income sections 1–3, para. IS3.5)	
The Advisory Committee requests that steps be taken to remove the deficit in connection with the garage operations at Vienna.	The incumbents of the four Security Officers posts have been gradually replaced by staff members junior in grade and seniority. The expenditure trend year-to-date promises that costs will go down to the 1996 level. Moreover, the income by sales of parking stickers are expected to increase again in line with the growing number of occupants of the Vienna International Centre and the envisaged demand owing to the reduction of roadside parking places outside the Centre.
Sale of gift items	
Board of Auditors (A/53/5, Vol. I, para. 69)	
The Board recommends that the Administration resolve the matter regarding sale of the inventory of the Gift Centre without further delay.	The outstanding issues related to the payment for the inventory of the Gift Centre are currently under review by the Office of Programme Planning, Budget and Accounts.
Services to visitors	
Advisory Committee on Administrative and Budgetary Questions (A/52/7, Chap. II, Income sections 1–3, para. IS3.2)	
The Advisory Committee requests the Secretary-General to explore ways in which fixed costs can be made more flexible, including staff costs.	Employment of tour guides on an hourly basis is effected to mitigate the high costs of the activities incurred for the purpose while maintaining the same performance.